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POLICY

UNITED NATIONS POPULATION FUND

Audit reports

Summary

This document contains the accounts of executing agencies relating to funds allocated to them by the United Nations Population Fund as at 31 December 1988 and the comments of the Executive Director concerning the report of the United Nations Board of Auditors on the UNFPA Financial Statements for the year ended 31 December 1988. It provides information on actions taken and presents proposals on further follow-up action to be taken by UNFPA in response to Governing Council decision 89/49, paragraph 3, adopted in connexion with its decision 89/61, paragraph 6, of 30 June 1989 and General Assembly resolution 44/183 of 19 December 1989.

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Introduction

1. In accordance with Governing Council decision 89/49, paragraph 3, adopted in connexion with decision 89/61 at the thirty-sixth session, and General Assembly resolution 44/183 of 19 December 1989 adopted at its forty-fourth session, the Executive Director wishes to bring to the attention of the Council the UNFPA Financial Report and Audited Financial Statements for the year ended 31 December 1988, as well as the Report of the Board of Auditors (Official Records of the General Assembly, Forty-fourth Session, Supplement No. 5G(A/44/5/Add. 7)) and the follow-up action taken by the Executive Director.

2. This document contains the accounts of the executing agencies relating to funds allocated to them by the United Nations Population Fund (UNFPA) for the year ended 31 December 1988, submitted in accordance with UNFPA Financial Regulation 17.1 (b), together with a summary of the status of funds submitted by the executing agencies as at 31 December 1988. Changes introduced in the audited accounts of the executing agencies after the preparation of the UNFPA Financial Statements for 1988 (A/44/5/Add.7) are presented and explained in this document. Also, necessary adjustments submitted by executing agencies for 1988, together with the submission of the 1989 accounts in April 1990, have been taken into account.

A. Board of Auditors' qualification of opinion on the UNFPA financial statements for 1988

3. The UNFPA financial statements for the year ended 31 December 1988 incorporated the financial information obtained from executing agencies in their 1988 annual accounts. As of 30 April 1989, the date of submission of the 1988 accounts to the Board of Auditors, no audited statements were submitted by the United Nations executing agencies. The status of the information received from the executing agencies was as follows (excerpted from A/44/5/Add.7, paragraph 4):

(a) Statements as submitted for audit were provided by the following executing agencies:

United Nations Children's Fund (UNICEF)
United Nations Development Programme/Office of Project Services (UNDP/OPS)

(b) In respect of the following executing agencies, UNFPA financial statements incorporate the information contained in the agencies' interim financial statements for the year ended 31 December 1988, which is the first year of the biennium 1988-1989:

United Nations
United Nations Environment Programme (UNEP)
Economic Commission for Africa (ECA)
Economic Commission for Europe (ECE)
Economic Commission for Latin America and the Caribbean (ECLAC)
Economic and Social Commission for Asia and the Pacific (ESCAP)
Economic and Social Commission for Western Asia (ESCWA)
International Labour Organisation (ILO)
Food and Agriculture Organization of the United Nations (FAO)
United Nations Educational, Scientific and Cultural Organization (UNESCO)
World Health Organization (WHO)
United Nations Industrial Development Organization (UNIDO)

4. The United Nations Board of Auditors noted in its report on the UNFPA accounts that the UNFPA financial statements for the year ended 31 December 1988 presented fairly the financial position of the organization as at the end of the year and the Fund's operations for the year then ended, except for the following matters, which the Board cited as grounds for qualifying its opinion on the UNFPA financial statements (paragraphs 57, 59 and 63 of A/44/5/Add.7):

(a) Programme expenditure executed by the United Nations executing agencies. The Board of Auditors relies on the work of the External Auditors of the United Nations executing agencies to gather adequate audit

evidence regarding programme expenditures reported by executing agencies to UNFPA. As in previous years, at the time the Board was required to issue its opinion on the UNFPA accounts, it could not comment on the fairness of the expenditures presented in the financial statements of United Nations executing agencies for 1988, owing to the absence of audited status of funds reports from the United Nations executing agencies (A/44/5/Add.7, paragraph 43). United Nations executing agencies that had adopted a biennial financial period had not submitted audit certificates for 1988, the first year of the biennium, since according to their own regulations and rules certification of accounts by their external auditors was required only at the end of the second year of the 1988-1989 biennial financial period.

(b) Programme expenditure executed by Governments. The Board of Auditors was unable to issue an opinion on programme expenditures executed by Governments due to: (a) At the close of the audit, only a small proportion (11 per cent) of the 337 government-executed projects had been supported by year-end financial reports. Furthermore, of those projects which had submitted year-end expenditure information, only 10 per cent had been audited by independent auditors at the time of the examination by the Board (A/44/5/Add.7, paragraph 47); and (b) the Board was unable to reconcile the status of funds reports submitted by Governments with the UNFPA general ledger and noted that, contrary to UNFPA Financial Regulation 15.2, Governments had not reported on their status of funds reports for the expenditures incurred directly by UNFPA headquarters procurement services for Governments' projects. According to the Board's interpretation of UNFPA Financial Regulation 15.2, the regulation held "that Governments, as other agencies, should report on the financial status of funds obtained from or through UNFPA" (A/44/5/Add.7, paragraph 50).

(c) Programme expenditure executed by non-governmental organizations. The Board of Auditors qualified their opinion regarding this category of expenditure for the following reasons: (a) Of the 204 projects executed by non-governmental organizations (NGOs) during 1988, only 34 projects submitted year-end expenditure reports and only 6 of them were audited by independent auditors; and (b) programme expenditure by non-governmental organizations included outstanding advances made to these organizations which, in the opinion of the Board, remained unspent at year-end. Although recognizing the specific nature of non-governmental organizations that may call for specific accounting policies to be applied, the Board pointed out that the current practice was contrary to UNFPA Financial Regulations and Rules, and recommended that any unspent balances of advances at year-end should be reported as "receivables" from non-governmental organizations and not as an "expenditure" incurred by non-governmental organizations (A/44/5/Add.7, paragraphs 52 and 53).

(d) Delineation between programme and administrative expenditures. The Board indicated that, in its opinion, the delineation between "programme expenditure" and "administrative and programme support services" expenditure was crucial to the fair presentation of UNFPA operations in Statement I (Year-end Statement of Income and Expenditure). Although improvements had been noted by the Board following recommendations of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), the Board's review of the present situation revealed that further clarification was needed. The Board indicated that the only guidelines available in draft format (document DP/1986/42) were limited to permanent staff costs only, excluding travel, training, consultancy and subcontract costs. Adequate guidelines should specify, according to the Board's observations, "whether travel costs of headquarters staff participating in an evaluation mission are to be reported as administrative or project costs, or whether the costs related to the participation of agencies' staff in backstopping missions are project costs or programme support costs". The principles agreed should be applied on a consistent basis year to year, the Board suggested, "and be consistent with those of UNDP where the same difficulties have yet to be addressed" (A/44/5/Add.7, paragraph 60).

B. Actions taken by the Administration

5. In accordance with Governing Council decisions taken at the thirty-fifth (decision 88/36) and thirty-sixth sessions (decision 89/49), as well as General Assembly resolution 44/183, the Executive Director is bringing to the attention of the Council the follow-up action that has been taken on the items that led to the qualified opinion by the Board of Auditors (as noted above).

Programme expenditure executed by the United Nations executing agencies

6. The General Assembly, in adopting resolution 43/216 of 21 December 1988, "recognized that the qualification on the certification of the United Nations-executed programme expenditures in the audit opinion on the United Nations Development Programme and the United Nations Population Fund accounts was technical in nature", and required co-ordinated action by the Fund's administration and its Governing Council. Thus, in resolution 44/183 of 19 December 1989, paragraph 3, the General Assembly urged "the administrations and governing bodies of the executing agencies and other relevant parties concerned to solve the technical problems identified by the Board of Auditors with regard to the certification of programme expenditures and programme support costs in co-operation with the United Nations Development Programme and with the United Nations Population Fund".

7. At its thirty-sixth session the Governing Council recognized that the audit opinion on the accounts of both UNDP and UNFPA "may remain qualified so long as audit confirmation of programme expenditure incurred by those organizations of the United Nations system which have adopted biennial auditing procedures has not been received by the Board of Auditors at the time the Board issues its opinion" on UNDP and UNFPA (decision 89/61, paragraph 4, and 89/49, paragraph 3).

8. In order to resolve this situation, the Governing Council requested both UNDP and UNFPA to submit to the Governing Council at its thirty-seventh session (1990), after review by the ACABQ, appropriate amendments to each organization's Financial Regulations that would provide that, beginning with the biennium 1990-1991, audited financial statements would be submitted to the General Assembly and to the Governing Council on a *biennial basis* (decision 89/61, paragraph 5, and 89/49, paragraph 3). In resolution 44/183, paragraph 10, of 19 December 1989, the General Assembly approved the changes proposed by the Governing Council in decisions 89/61 and 89/49. Accordingly, the Executive Director is submitting to the Governing Council at this session the appropriate amendments to the UNFPA Financial Regulations in document DP/1990/86.

9. The Executive Director believes that the submission of its financial statements on a biennial basis should result in the removal of this qualification, provided that audit certificates from the external auditors of the executing agencies are received prior to the closure of the UNFPA accounts and are available to the Board before the issuance of its audit opinion. As of the date of preparation of this document, UNFPA had received audited financial statements for 1988-1989 from only one executing agency that had adopted a biennial financial period, the World Health Organization. Audited status of funds reports for the year ended 31 December 1988 were received from the United Nations Children's Fund (UNICEF) and the United Nations Development Programme/Office for Project Services (UNDP/OPS). Annex I shows the summary of the status of funds of executing agencies as at 31 December 1988.

Programme expenditure executed by Governments

10. The Executive Director has continued her efforts, in consultation with the Governments concerned, to obtain adequate audit coverage of funds disbursed by Governments in their capacity as executing agencies for UNFPA-financed projects. UNFPA has been a pioneer in the implementation of the modality of government execution, recognizing that, operationally, Governments ought to exercise complete responsibility for all programmes and project activities, including accountability to the Executive Director for the use of funds received as executing agencies. In current UNFPA practice, when serving as executing agencies, Governments have the same status and responsibilities as any other executing agency. In many cases, however, the Government is one of multiple executing agencies and has responsibility primarily for the local cost component, whereas UNFPA or a United Nations specialized agency or an NGO designated as co-executing agency with the Government provides administrative and technical backstopping, as discussed below. In current practice, too, UNFPA generally provides procurement services for Governments' projects, as well as overall programme co-ordination and field management support.

11. In 1988, a total of 337 projects was reported to the Board as government-executed projects. At the close of the audit, the Board reported that cash advances were made to 187 of these projects during the year ended 31 December 1988, amounting to $14.1 million, of which $4.0 million were reported by Governments as expenditures at year-end, and the balance of $10.1 million remained with the Governments concerned and were reported as receivables in the balance sheet under "Operating funds provided by UNFPA to Governments" (A/44/5/Add.7,

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paragraphs 47 and 66). Annex II shows the balance of outstanding advances to Governments as at 31 December 1988. The Board observed that year-end financial reports were received for only 37 projects and that only 10 of these 37 financial reports were duly audited by independent auditors. Total expenditure of projects designated as "government-executed projects" was $14.1 million, comprising $10.1 million (or 72 per cent) of direct payments effected by the offices of the UNFPA Representatives on behalf of Governments, and $4.0 million spent directly by the Governments themselves from the advances received. The Board also noted that the decrease in government-executed project expenditure in 1988 compared to 1987 expenditure reflected a change in accounting policy as recommended by the Board, whereby expenditures of government-executed projects were no longer being recorded on the basis of "advances" remitted to Governments, but instead on the basis of actual expenditure reported by Governments against those advances. As of the date of preparation of this document, UNFPA had received year-end financial reports for 1988 for only 91 projects (10 in Africa, 54 in Asia and the Pacific, 10 in the Arab States and Europe, and 17 in Latin America and the Caribbean) that had been certified and/or audited by the Governments concerned.

12. All Governments executing UNFPA-financed projects have been requested to comply with UNFPA Financial Regulations 15.2 and 17.2. Regulation 15.2 mandates that Governments which are executing UNFPA-financed projects shall maintain accounts and records as necessary to enable them to report on the financial status of funds obtained from UNFPA or "through" UNFPA, including the balance of recorded obligations, expenditures and commitments. Regulation 17.2 mandates that Governments which are executing UNFPA-financed projects shall submit audit reports annually with respect to funds obtained from UNFPA or "through" UNFPA. The Board has interpreted the words "through" in these two regulations to mean that Governments are also responsible to report and certify expenditures in their status of funds on the expenditures incurred directly by the office of the UNFPA Representative on their behalf and by UNFPA headquarters (for example, for procurement services). In order to clarify this situation, the Executive Director proposes to amend Regulations 15.1, 15.2, 15.3 and 17.2 by deleting the words "or through" from the text of the current Regulations (see DP/1990/86, page 4). As amended, Governments as executing agencies of UNFPA-financed projects would, therefore be, responsible only for the financial reporting and auditing of funds directly advanced to them by the Executive Director for implementation of UNFPA assistance to a project.

13. In order to ensure accountability through rationalizing and streamlining the existing system, the Executive Director has also taken the following steps to ensure full compliance with the requirement of financial reporting and auditing of all government-executed projects.

(a) A study has been completed in the context of harmonizing UNFPA procedures and practices with those of UNDP, aiming also at simplifying UNFPA financial procedures at the field office level;

(b) Field consultations have taken place in Ethiopia, Egypt, Morocco and Yemen;

(c) Training programmes with programme and accounting personnel from 40 field offices have been held in various duty stations and for International Programme Officers and Country Directors at headquarters;

(d) Detailed instructions and clarifications were issued to all field offices emphasizing the importance of providing complete financial reports and independent audits of government-executed programme expenditures;

(e) Discussions were held with UNFPA Country Directors and a number of UNFPA Representatives at the UNFPA Global Meeting held in November 1989, to stress the importance of accountability issues and the audit responsibility;

(f) Discussions were held with the Board of Auditors on the scope of government-execution, in particular, the audit of project components executed by United Nations executing agencies and UNFPA, in order to avoid duplication of efforts and waste of resources.

14. As recommended by the Board, UNFPA will be adapting for its own requirements UNDP audit guidelines for government-executed projects since UNDP is addressing similar difficulties in obtaining adequate audit evidence for government-executed projects. To the present time, a large number of Governments have failed to submit year-

end audited reports in spite of the vigorous follow-up actions taken by UNFPA headquarters through the UNFPA Representatives in the field. In order to improve the financial reporting and auditing of UNFPA-financed projects executed by Governments and in response to General Assembly resolution 44/211 of 22 December 1989, paragraph 24(b), UNFPA will assist Governments in training their staff to enhance their competence to deal with their financial reporting and auditing responsibilities, as well as to strengthen the capacity of the UNFPA field offices to meet additional demands arising from this government-execution of projects. It should be noted, however, that without the full co-operation of the Governments, the Board's qualification may remain because of the lack of audit evidence of Governments' expenditures. As recommended by the General Assembly in resolution 44/211, paragraphs 24(a) and (b), in order to ensure accountability and provide the required support to recipient Governments, and taking into account the discussions and decisions on the matters concerning new agency support cost arrangements and Government/National execution to be taken by the Council at this session, the Executive Director will make proposals to the Governing Council at the thirty-eighth session on measures to strengthen the capacity of Governments to comply with the Fund's financial reporting and audit requirements of government-executed projects. The Executive Director in formulating her proposals will also take into account the current authority given by the Governing Council to the UNDP Administrator in decision 88/18, paragraph 9, whereby the Governing Council authorized the UNDP Administrator to establish a small unit in the UNDP Division for Audit and Management Review to administer and monitor audit requirements of government-executed projects and to charge staff costs and supporting services to the support cost line of UNDP.

15. At the thirty-sixth session of the Governing Council, UNFPA informed the Governing Council in document DP/1989/44, paragraph 10, that whenever applicable, UNFPA will follow the UNDP accounting, auditing and reporting procedures for government-executed projects approved by the Governing Council in decision 88/18, paragraph 4, as recommended by the Administrator in paragraphs 54 and 61 of document DP/1988/19/Add.2. The increase in the number of government-executed projects, and the attendant systematic processing of information from projects without United Nations agency involvement, has had a significant impact on the accounting and fiscal monitoring work load of the UNFPA Finance Branch. At present, the unit within the Finance Branch which is responsible for the accounting work of government-executed projects comprises only four Accounts Clerks. The nature of this accounting work requires sufficient staff resources to carry on accounting procedures and accountability controls that will ensure financial integrity of the system. Given the current volume of transactions,* and the foreseen increases in workload resulting from a larger number of government-executed projects, the unit will require additional staff to supplement the existing work force. Pending the new agency support cost arrangement, which is proposed to go into effect in 1992, and the discussions and decisions to be taken by the Governing Council on matters related to Government/National execution of projects, the Executive Director will submit proposals to the thirty-eighth session of the Governing Council on ways and means to strengthen the Fund's accounting systems and accountability controls both at headquarters and in the field. In formulating her proposals, the Executive Director will also take into account the authority given by the Governing Council to the UNDP Administrator in decision 88/18, paragraph 8, whereby the Governing Council authorized the UNDP Administrator to charge additional accounting staff resources needed to implement the accounting and financial reporting procedures of government-executed projects to the support cost line of UNDP. The Executive Director will also review the Fund's current budgetary methodology of assessing overhead charges to government-executed projects and applying the resulting credits to the UNFPA administrative and programme support services budget.

Programme expenditure executed by non-governmental organizations, intergovernmental institutions and other agencies

16. The financial reporting and auditing procedures for UNFPA-funded projects executed by non-governmental organizations, intergovernmental organizations and other agencies, as authorized under the provisions of UNFPA Regulation 8.6, requires that at the end of a calendar year a financial statement of the expenditures be submitted

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* In 1989, there were 407 government-executed projects that reported total expenditures of $22,375,821 and had $8,964,538 in operating funds held by Governments. This compares to 337 government-executed projects in 1988 that spent $14,094,936 and had $10,062,916 in operating funds held by Governments (see also DP/1990/54, Annexes I and II).

to UNFPA, together with audit evidence of such expenditure certified by an independent auditor recognized as such by national authorities. At the conclusion of the project, a final financial statement of expenditure of UNFPA funds, certified by independent auditors, together with a cheque to cover all unexpended funds of UNFPA, shall be submitted to UNFPA. As for projects executed by national non-governmental organizations within the framework of UNFPA's country programmes, government audits of specific projects may be requested.

17. In 1988, UNFPA reported expenditures of $18.3 million or 14.1 per cent of total programme expenditures by non-governmental organizations, intergovernmental institutions and other agencies executing UNFPA-financed projects under Regulation 8.6 (see document DP/1989/43, paragraph 6). The Board of Auditors reported that of the 204 projects examined by the Board for this category of expenditure, only 34 projects submitted year-end financial reports for 1988 and only 6 of them were audited by independent auditors as required by the UNFPA Financial Regulations and Rules.

18. In 1988, a total of 78 non-governmental organizations, intergovernmental institutions and other agencies received funds from UNFPA for the execution of projects. These are listed in Annex III. As of the date of preparation of this document, $14.7 million had been reported in year-end financial statements certified by the responsible officials of those organizations, and $14.2 million had been audited by independent auditors. Annex III also shows the date of receipt of the audited financial statements from those agencies. By the end of the first quarter of 1988, only $0.4 million or 2.3 per cent had reported; by the middle of the year $9.8 million or 53.5 per cent had been reported; by the end of the third quarter, $12.2 million or 67.1 per cent had been reported; and by year-end $14.2 million or 78.6 per cent had been reported. It should be noted, however, that expenditures incurred on behalf of UNFPA by certain established commercial firms in 1988, as pointed out by the Board, were reported in 1988 not as expenditures of contractors but together with expenditures of non-governmental organizations. These contractors delivered goods and services in 1988 and were paid by UNFPA in accordance with its financial rules. The classification of these expenditures has now been corrected, and they are now being classed as expenditures in 1989 incurred by contractors under UNFPA-executed projects. All contracts have been awarded after review by the UNFPA Contracts Committee in strict compliance with the Fund's Financial Regulations and Rules.

19. In 1988, UNFPA reported agency support cost payments of $0.6 million to non-governmental organizations, or 3.1 per cent of the programme expenditures of $18.3 million reported under non-governmental organizations. These support cost payments to non-governmental organizations were reported together with all agency support costs paid to United Nations executing agencies under the agency support costs line of the UNFPA Statement of Income and Expenditures and not as part of the expenditures reported under the project budgets.

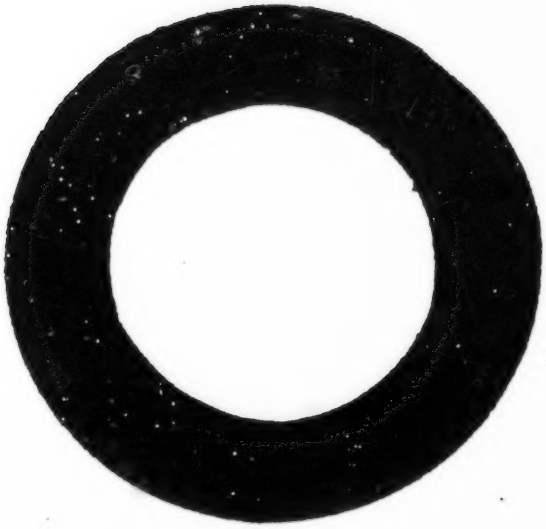
20. Notwithstanding the provisions for independent audit mentioned above, UNFPA also may conduct audits of NGO-executed projects from time to time. It has been the policy of UNFPA to reimburse non-governmental organizations for agency support costs on a case-by-case basis, taking into account the nature of the project executed by the non-governmental organization. Only in exceptional cases has UNFPA financed the necessary audit exercises. UNFPA intends to reimburse certain organizations in 1990 for the costs of independent audits when such organizations are unable, owing to financial constraints, to comply with the audit requirements, taking into account the amount of the approved project budget, the nature of the project, the loci of the payment transactions and previous experience with the organizations.

21. UNFPA, from its inception, has reported expenditures of projects executed by non-governmental organizations on the basis of cash remittances by UNFPA to the organizations concerned. Prior to the remittance of funds, UNFPA has required the non-governmental organizations concerned to substantiate the need for the proposed remittance, and in conformity with Financial Rule 114.7, UNFPA has remitted only the amount of funds required by the non-governmental organization for disbursement to cover the cash requirements of the project financed by UNFPA. Cash remittances have been effected on a quarterly basis or for a reasonable period mutually agreed on by UNFPA and the non-governmental organizations and only for the current year of the operations after allocation of approved funds have taken place.

22. The United Nations Board of Auditors, in its observations on the Fund's 1988 accounts, reiterated its view that "the concept of expenditures retained to account for programme expenditures executed by non-governmental organizations does not conform to the Financial Regulations and Rules, since it includes not only disbursements and unliquidated obligations, but also outstanding advances. Such advances should be cleared at year-end or reported as receivable" (A/44/5/Add.7, paragraph 53). In order to implement the proposed accounting procedure, UNFPA would have to establish operating funds with all the non-governmental organizations, intergovernmental institutions and other agencies executing UNFPA-financed projects as authorized under Regulation 8.6. All advances to these organizations would no longer be charged directly to the projects but to a corresponding operating fund account, which would be set up for each project. Expenditures would be recorded only on submission of reports of expenditures against the advances for each project. Any balances of advances not cleared at the year-end closure of accounts would be recorded as a receivable from the organization concerned. Taking into account the specific nature of non-governmental organizations, formal procedures, which are currently being drafted, on the financial reporting and auditing requirements of projects executed by non-governmental organizations and other agencies would have to take the Board's recommendations into account. These would be put into effect as early as possible.

23. The Board's proposal has, however, serious consequences on the workload of the UNFPA Finance Branch. The Branch does not presently have staff to implement this proposed detailed accounting system for 100 of these organizations, which executed 259 projects in 1989 amounting to approximately $20 million in project expenditures (see document DP/1990/54). Pending the discussion and decisions to be taken by the Governing Council at this session with respect to the new agency support cost arrangement, as well as execution of projects by Governments and national institutions and other non-governmental organizations, the Executive Director will submit to the Governing Council at its thirty-eighth session proposals on ways and means to strengthen the Fund's accountability control systems.

24. An oral report on corrective measures and other actions taken by the Executive Director in respect to other audit observations contained in the report of the Board of Auditors will be provided to the Council at its thirty-seventh session.



Annex I

Summary of the status of funds of the executing agencies at 31 December 1988

(United States dollars)

	UN	ECE	ESCAP	ECLAC	ECA	ESCWA	ILO	TOTAL c/f
OPERATING FUND								
Balance as at 31 December 1987	(7,753,192)	(36,085)	(608,259)	(15,030)	(1,002,627)	(237,241)	608,408	(9,044,026)
Add: Cash drawing from UNFPA	20,430,503	500,000	1,459,000	1,995,000	4,300,000	844,000	7,495,000	37,023,503
Miscellaneous income	119,069	1,672	0	0	20,886	677	0	142,304
Miscellaneous charges	0	(16)	0	0	0	0	(15,381)	(15,397)
	12,796,380	465,571	850,741	1,979,970	3,318,259	607,436	8,088,027	28,106,384
Deduct: Expenditure for 1988								
UNFPA	23,712,936	336,210	1,597,838	2,053,965	3,845,336	687,810	8,612,838	40,844,933
Trust Funds	650,992	0	0	0	0	0	432,217	1,083,209
	24,363,928	336,210	1,597,838	2,053,965	3,845,336	687,810	9,045,055	41,928,142
Balance as at 31 December 1988	(11,567,548)	131,361	(747,097)	(73,995)	(527,077)	(80,374)	(957,028)	(13,821,758)
Represented by: Cash at bank & on hand	294,676	0	(364,655)	144,960	(34,796)	0	2,215,891	2,256,076
Accounts receivable	303,302	147,407	0	0	91,880	130	(17,103)	525,616
	597,978	147,407	(364,655)	144,960	57,086	130	2,198,788	2,781,694
Deduct: Accounts payable	5,724,362	0	67,840	0	384,728	31,867	1,928,533	8,137,330
Unliquidated obligations	6,441,164	16,046	314,594	218,955	199,435	48,637	1,227,283	8,466,114
	12,165,526	16,046	382,442	218,955	584,163	80,504	3,155,816	16,603,452
	(11,567,548)	131,361	(747,097)	(73,995)	(527,077)	(80,374)	(957,028)	(13,821,758)
STATEMENT OF UNSPENT ALLOCATIONS								
Balance of unspent allocations as at 31 December 1987	23,064,240	55,433	1,381,021	20,109	633,847	74,187	9,762,567	34,991,384
Add: Net allocations issued in 1988	33,640,811	693,000	3,249,671	3,676,636	7,589,748	1,685,251	15,998,491	66,335,608
	56,705,051	748,433	4,630,692	3,696,745	8,223,595	1,759,438	25,761,038	101,326,992
Deduct: Allocations issued for future years	32,859,266	617,645	3,057,494	1,855,128	4,388,865	790,638	15,592,480	58,961,516
Allocations issued for 1988	23,845,785	330,788	1,573,198	1,843,617	3,834,730	768,800	10,168,558	42,365,476
Deduct: Allocations utilized in 1988	21,003,177	295,761	1,414,016	1,817,668	3,381,312	608,681	7,375,690	35,896,305
Balance of unspent allocations for current year	2,842,608	35,027	159,182	25,949	453,418	160,119	2,792,868	6,469,171
Add: Allocations issued for future years	32,859,266	617,645	3,057,494	1,855,128	4,388,865	790,638	15,592,480	58,961,516
Balance of unspent allocations as at 31 December 1988	35,701,874	652,672	3,216,676	1,881,077	4,842,283	950,757	18,385,348	65,430,687

Note: The above statement is a summary of the individual financial statements submitted by the executing agencies, and does not represent a consolidated statement in accordance with normal accounting procedures.

c/f: carry forward

Annex I (continued)

Summary of the status of funds of the executing agencies at 31 December 1988

(United States dollars)

	TOTAL b/f	FAO	UNEP	UNESCO	WHO	UNICEF	UNIDO	UNDP/OPS	TOTAL c/f
OPERATING FUND									
Balance as at 31 December 1987	(9,044,026)	(37,113)	0	(2,711,792)	(6,547,858)	(50,771)	(19,640)	0	(18,419,200)
Add: Cash drawing from UNFPA	37,023,503	3,559,970	0	8,283,000	25,500,000	150,000	17,707	1,242,430	75,776,610
Miscellaneous income	142,304	0	0	63,739	381,419	0	0	0	587,462
Miscellaneous charges	(15,397)	0	0	0	0	0	0	0	(15,397)
	28,106,384	3,522,857	0	5,634,947	19,333,561	91,229	(1,933)	1,242,430	57,929,475
Deduct: Expenditure for 1988									
UNFPA	40,844,933	2,592,929	19,210	8,549,622	24,163,536	148,468	1,919	1,233,569	77,554,186
Trust Funds	1,083,209	205,076	0	74,382	1,024,266	0	0	8,861	2,395,794
	41,928,142	2,798,005	19,210	8,624,004	25,187,802	148,468	1,919	1,242,430	79,949,980
Balance as at 31 December 1988	(13,821,758)	724,852	(19,210)	(2,989,057)	(5,854,241)	(57,239)	(3,852)	0	(22,020,505)
Represented by: Cash at bank & on hand	2,256,078	1,501,161	0	732	0	(29,183)	0	0	3,728,788
Accounts receivable	525,616	0	0	27,081	2,975,155	0	0	12,423	3,540,275
	2,781,694	1,501,161	0	27,813	2,975,155	(29,183)	0	12,423	7,269,063
Deduct: Accounts payable	8,137,338	0	10,296	516,468	0	0	1,584	0	8,665,686
Unliquidated obligations	8,466,114	776,309	8,914	2,500,402	8,829,396	28,056	2,268	12,423	20,623,882
	16,603,452	776,309	19,210	3,016,870	8,829,396	28,056	3,852	12,423	29,289,568
	(13,821,758)	724,852	(19,210)	(2,989,057)	(5,854,241)	(57,239)	(3,852)	0	(22,020,505)
STATEMENT OF UNSPENT ALLOCATIONS									
Balance of unspent allocations as at 31 December 1987	34,991,384	1,927,204	0	14,125,670	27,003,737	221,406	6,564	894,319	79,170,284
Add: Net allocations issued in 1988	66,335,608	7,008,340	286,840	13,912,703	33,305,485	(60,431)	0	1,880,533	122,669,078
	101,326,992	8,935,544	286,840	28,038,373	60,309,222	160,975	6,564	2,774,852	201,839,362
Deduct: Allocations issued for future years	58,961,516	5,618,831	260,580	17,684,073	30,914,949	0	0	1,618,194	115,058,143
Allocations issued for 1988	42,365,476	3,316,713	26,260	10,354,300	29,394,273	160,975	6,564	1,156,658	86,781,219
Deduct: Allocations utilized in 1988	35,896,305	2,332,243	19,210	7,630,460	21,757,554	148,468	1,698	1,114,539	68,900,477
Balance of unspent allocations for current year	6,469,171	984,470	7,050	2,723,840	7,636,719	12,507	4,866	42,119	17,880,742
Add: Allocations issued for future years	58,961,516	5,618,831	260,580	17,684,073	30,914,949	0	0	1,618,194	115,058,143
Balance of unspent allocations as at 31 December 1988	65,430,687	6,603,301	267,630	20,407,913	38,551,668	12,507	4,866	1,660,313	132,938,885

b/f: brought forward

Annex I (continued)

Summary of the status of funds of the executing agencies at 31 December 1988

(United States dollars)

	TOTAL b/f	GOV'T	UNFPA	NGOs	TOTAL	GRAND TOTAL
OPERATING FUND						
Balance as at 31 December 1987	(18,419,200)	(3,271,011)	(5,930,363)	(660,184)	(9,861,558)	(28,280,758)
Add: Cash drawing from UNFPA	75,776,610	17,948,863	20,964,764	20,513,048	59,426,675	135,203,285
Miscellaneous income	587,462	0	0	0	0	587,462
Miscellaneous charges	(15,397)	0	0	0	0	(15,397)
	57,929,475	14,677,852	15,034,401	19,852,864	49,565,117	107,494,592
Deduct: Expenditure for 1988						
UNFPA	77,554,186	14,800,205	29,663,543	18,836,485	63,300,233	140,854,419
Trust Funds	2,395,794	284,111	2,328,750	1,148,529	3,761,390	6,157,184
	79,949,980	15,084,316	31,992,293	19,985,014	67,061,623	147,011,603
Balance as at 31 December 1988	(22,020,505)	(406,464)	(16,957,892)	(132,150)	(17,496,506)	(39,517,011)
Represented by: Cash at bank & on hand	3,728,788	0	0	0	0	3,728,788
Accounts receivable	3,540,275	0	0	0	0	3,540,275
	7,269,063	0	0	0	0	7,269,063
Deduct: Accounts payable	8,665,686	0	0	0	0	8,665,686
Unliquidated obligations	20,623,882	406,464	16,957,892	132,150	17,496,506	38,120,388
	29,289,568	406,464	16,957,892	132,150	17,496,506	46,786,074
	(22,020,505)	(406,464)	(16,957,892)	(132,150)	(17,496,506)	(39,517,011)
STATEMENT OF UNSPENT ALLOCATIONS						
Balance of unspent allocations as at 31 December 1987	79,170,284	51,755,301	20,202,478	2,094,005	74,051,784	153,222,068
Add: Net allocations issued in 1988	122,669,078	12,823,150	41,748,049	37,043,186	91,614,385	214,283,463
	201,839,362	64,578,451	61,950,527	39,137,191	165,666,169	367,505,531
Deduct: Allocations issued for future years	115,058,143	37,250,794	27,358,938	18,769,702	83,379,434	198,437,577
Allocations issued for 1988	86,781,219	27,327,657	34,591,589	20,367,489	82,286,735	169,067,954
Deduct: Allocations utilized in 1988	68,900,477	14,094,936	28,563,601	18,273,484	60,932,021	129,832,498
Balance of unspent allocations for current year	17,880,742	13,232,721	6,027,988	2,094,005	21,354,714	39,235,456
Add: Allocations issued for future years	115,058,143	37,250,794	27,358,938	18,769,702	83,379,434	198,437,577
Balance of unspent allocations as at 31 December 1988	132,938,885	50,483,515	33,386,926	20,863,707	104,734,148	237,673,033

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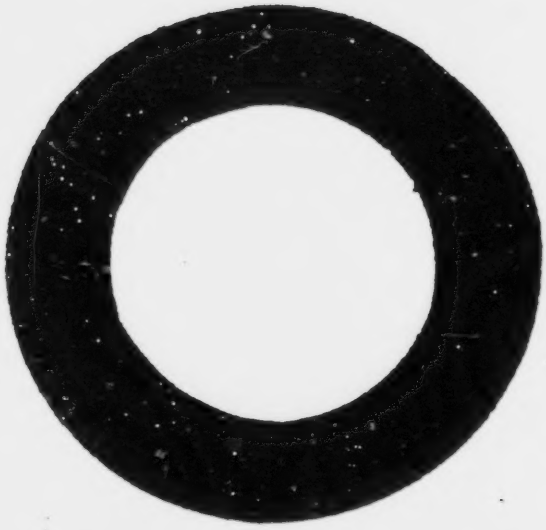

Annex II

Status of funds advanced to Governments for the year ended 31 December 1988
(United States dollars)

Region/Country	Advances by UNFPA	Expenditure reported by Governments against advances	Outstanding balance of advances
Africa			
Benin	19,555	0	19,555
Burkina Faso	71,601	50,407	21,194
Comoros	28,337	0	28,337
Cote d'Ivoire	111,716	0	111,716
Ethiopia	49,247	0	49,247
Ghana	32,939	32,939	0
Kenya	252,760	0	252,760
Madagascar	57,557	10,053	47,505
Mali	97,643	0	97,643
Mauritius	9,239	0	9,239
Mauritania	15,342	0	15,342
Malawi	167,366	0	167,366
Nigeria	316,811	0	316,811
Rwanda	98,800	43,800	55,000
Senegal	68,322	29,172	39,150
Seychelles	21,550	0	21,550
Sierra Leone	4,339	0	4,339
Tanzania, United Republic of	287,826	22,750	265,076
Zambia	17,906	0	17,906
Regional total:	1,728,856	189,120	1,539,736
Arab States and Europe *			
Egypt	333,062	5,012	328,050
Jordan	143,849	46,553	97,296
Morocco	443,207	384,957	58,250
Sudan	7,750	0	7,750
Syrian Arab Republic	66,173	259	65,914
Tunisia	94,294	70,523	23,771
Turkey	163,865	96,472	67,393
Yemen	92,853	81,290	11,563
Subtotal:	1,345,053	685,066	659,987

* Formerly Middle East and the Mediterranean and Europe

Annex II (continued)

Status of funds advanced to Governments for the year ended 31 December 1988

(United States dollars)

Region/Country	Advances by UNFPA	Expenditure reported by Governments against advances	Outstanding balance of advances
Europe			
Hungary	30,460	0	30,460
Portugal	15,017	0	15,017
Subtotal:	45,477	0	45,477
Regional total:	1,390,530	685,066	705,464
Asia and the Pacific			
Bangladesh	980,478	116,653	863,825
Fiji	157,285	29,308	127,977
India	1,487,088	109,916	1,377,172
Indonesia	2,775,248	340,141	2,435,107
Lao, People's Democratic Republic	146,590	0	146,590
Malaysia	244,563	138,137	106,426
Nepal	428,443	126,108	302,335
Pakistan	874,993	452,149	422,844
Philippines	854,970	353,015	501,955
Papua New Guinea	27,812	0	27,812
Republic of Korea	144,354	116,042	28,312
Sri Lanka	13,036	7,078	5,958
Thailand	1,086,489	1,066,853	19,636
Viet Nam	70,137	0	70,137
Regional total:	9,291,484	2,855,399	6,436,086
Latin America and the Caribbean			
Dominican Republic	245,745	246,360	(615)
Ecuador	60,181	7,581	52,600
Jamaica	232,551	0	232,551
Mexico	1,082,774	34,703	1,048,071
Uruguay	66,646	17,622	49,024
Regional total:	1,687,897	306,267	1,381,630
Adjustment	5,012	5,012	0
Grand Total	14,103,779	4,040,864	10,062,916

Annex III

Status of audited financial reports on non-governmental organizations, intergovernmental institutions and other agencies for the year ended 31 December 1988

(United States dollars)

Name of Organization/Institution	Amount Remitted	Amounts Audited	Date of Report
Alan Guttmacher Institute	50,000	50,000	March 1989
American Home Economics Association	10,000	0	-
Arab States for the Gulf	173,500	0	-
Archbishopric of Quito	19,109	0	-
Asia & Oceania Federation of Obstetrics & Gynaecology	15,200	15,200	September 1989
Asian Forum of Parliamentarians on Population & Development	130,000	130,000	June 1989
Asian Institute of Management	25,000	0	-
Asian Population & Development Association	166,800	166,800	July 1989
Association for Voluntary Surgical Contraception, Inc. (AVSC)	358,550	0	-
Association of Family Lay Workers	33,653	0	-
Associazione Italiana Popolazione e Sviluppo	56,206	0	-
Atlanta University	5,200	0	-
Australian National University	485,321	485,321	June 1989
Boston University Medical Center	1,700	0	-
Boston University School of Public Health	760	0	-
Center for Population Communication - International (CPC-I)	39,700	39,700	April 1989
Centre for Development and Population Activities (CEDPA)	389,842	306,032	March 1989
Centre for Development Studies	227,444	0	-
Centre International de l'Enfance	42,700	0	-
Centre for Investigation and Studies on the Family	18,576	0	-
City of Kobe	46,500	0	-
Columbia University	31,375	0	-
Committee for Int'l Cooperation in Nat'l Research in Demography (CICRED)	251,092	251,092	April 1989
Conservation Foundation	45,220	45,220	June 1989
Council for International Organizations of Medical Sciences (CIOMS)	30,000	30,000	April 1989
Diocese of Antigua	18,200	0	-
Eastern and Southern African Management Institute	8,863	0	-
Family Care International	182,647	0	-
Harvard University	169,056	0	-
Hebrew University	48,000	48,000	April 1989
Institute of Social Studies	429,726	429,726	September 1989
Inter-African Committee	82,500	82,500	April 1989
Inter-American Parliamentarian Group on Population	104,492	104,492	September 1989
Inter Press Service (IPS)	335,000	335,000	May 1989
International Association for Maternal & Neonatal Health (IAMANE)	34,919	0	-
International Council of Women	20,000	20,000	June 1989
International Federation for Family Life Promotion (IFFLP)	50,000	50,000	June/July 1989
International Institute for Vital Registration and Statistics (IIVRS)	65,975	65,975	March 1989
International Organization for Chemical Sciences in Development	150,000	150,000	May 1989
International Planned Parenthood Federation (IPPF)	1,551,658	292,122	Jan/July 1989
International Statistical Institute (ISI)	167,462	0	-
International Union for the Scientific Study of Population (IUSSP)	565,000	565,000	August 1989

Annex III (continued)

Status of audited financial reports on non-governmental organizations, intergovermental institutions and other agencies for the year ended 31 December 1988

(United States dollars)

Name of Organization/Institution	Amount Remitted	Amounts Audited	Date of Report
International Organization for Migration */	10,000	10,000	November 1989
International Council on the Management of Population Programmes (ICOMP)	347,076	347,076	May 1989
International Federation for Home Economics, New York	40,000	40,000	December 1989
International Union for the Conservation of Nature & Natural Resources	57,000	0	-
Japanese Organization for International Cooperation in Family Planning (JOICFP)	669,818	669,818	July 1989
John Snow, Inc. (JSI)	51,064	0	-
Johns Hopkins University	118,840	0	_
J.E. Austin Associates, Inc.	52,140	52,140	August 1989
New Internationalist Publications, Ltd.	145,500	145,500	December 1989
Non-Governmental Liaison Service	3,000	0	-
Peruvian Women's Centre	20,467	0	-
Planned Parenthood of New York City, Margaret Sanger Center	247,075	0	-
Population Concern	13,000	0	-
Population Council	1,756,940	1,756,940	October 1989
Population Crisis Committee	290,000	290,000	April 1989
Press Foundation of Asia	109,799	109,799	April 1989
Program for the Introduction & Adaptation of Contraceptive Technology (PIACT)	5,048,247	5,048,247	April/June 1989
Projects Promotion, Ltd.	6,000	0	-
Regents of University of Michigan	12,608	0	-
Small grants to other institutions	28,931	0	-
Society for International Development	10,000	10,000	May 1989
South Pacific Commission	332,781	332,781	May 1989
Stanford University	30,000	0	-
The Futures Group	25,000	0	_
The Population Institute	280,032	280,032	October 1989
Turner Broadcasting System, Inc.	300,000	0	-
UN Association of the Federal Republic of Germany	23,609	0	-
United Nations High Commissioner for Refugees (UNHCR)	18,194	0	-
Universite Catholique de Louvain	508,920	508,920	June 1989
Universite Laval	38,274	0	-
Universite Libre de Bruxelles (ULB)	657,193	657,193	May 1989
University of Montreal	13,832	0	-
University of South Pacific	68,708	0	-
World Assembly of Youth (WAY)	94,000	94,000	May 1989
World Population Society	158,490	158,490	April 1989
Worldwatch Institute	50,000	50,000	April 1989
	18,273,484	14,223,116	

*/ Formally called the Inter-governmental Committee for Migration